

RENTAL MARKET REPORT

Newfoundland and Labrador Highlights

Canada Mortgage and Housing Corporation

Date Released: Spring 2009

Vacancy Rates Lower Throughout Province

- The overall provincial vacancy rate was 2.0 per cent.
- A stable economy and higher house prices combined with low levels of new rental construction resulted in lower vacancies in the St. John's CMA.

■ Average two bedroom rent was \$616 across the five urban centres surveyed.

■ Corner Brook CA had the lowest vacancy rate at 0.4 per cent.

Overview

Canada Mortgage and Housing Corporation's (CMHC) survey of rental accommodations conducted

during the month of April indicated that vacancy rates for private apartment structures containing three or more units were lower throughout the province in all centres surveyed. Provincially, the overall vacancy rate was 2.0 per cent during the April survey, with 106 of the 5,285 units surveyed sitting vacant. This represents a reduction of 1.2 percentage points from last April's rate of 3.2 per cent. The vacancy rate was highest in Bay Roberts CA (Census Agglomerate), while the lowest vacancy rate recorded was in Corner Brook CA. As expected, average rents were highest within the St. John's CMA (Census Metropolitan Area), with Bay Roberts CA posting the lowest market rents.

The St. John's CMA rental market posted a vacancy rate of 2.2 per cent for the April survey versus 3.7 per cent last April. This translates into 80 vacant units out of the 3,668 units surveyed. With the local labour market remaining healthy, positive net-migration will continue to create rental demand and keep vacancy

Figure 1

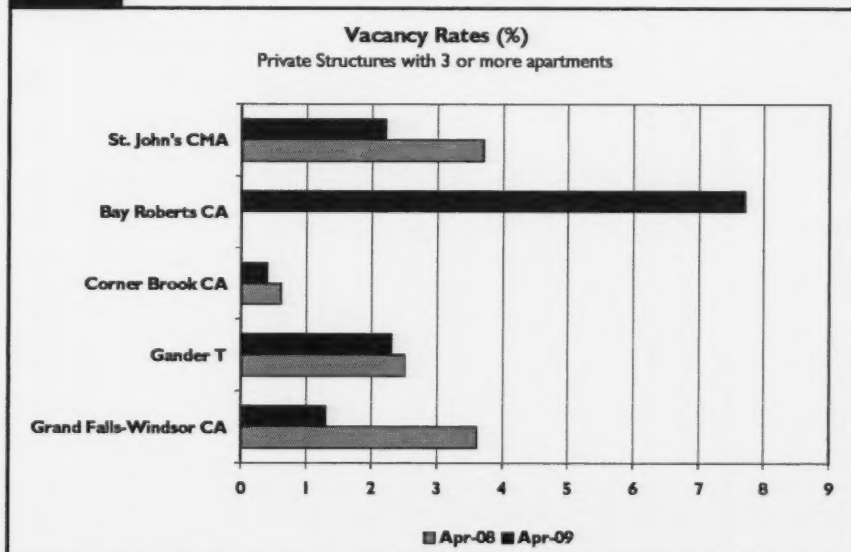
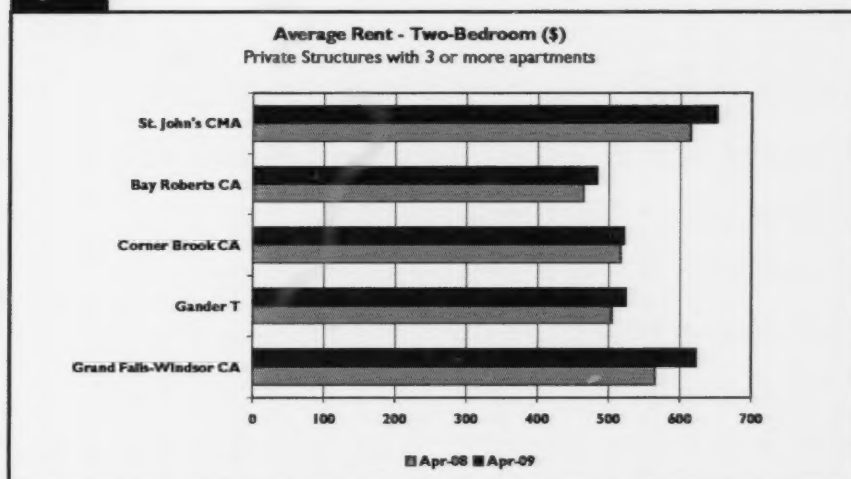


Figure 2



rates low within the region. Despite rising house prices, solid economic activity, lower interest rates and income growth continue to support demand for homeownership within the St. John's CMA. Historically high house prices coupled with low levels of new rental supply being added to the market are contributing to the low vacancy rates. With house prices continuing to advance, demand for rental is expected to remain strong.

With a university campus of 1,200 plus students and a solid economy, Corner Brook CA continues to see the fewest vacancies in the province with a vacancy rate of 0.4 per cent compared to 0.6 per cent a year ago. With conditions expected to remain stable within the region, the Corner Brook CA rental market will continue to experience low levels of vacancy and rising rents.

In other rental markets, the April survey results were similar. Gander T (Town), which posted a vacancy rate of 2.3 per cent versus 2.5 per cent

last year, continues to be positively impacted by its central location in the province and its international airport. Grand Falls-Windsor CA posted a vacancy rate of 1.3 per cent in April compared to 3.6 per cent a year ago. However, the recent closure of the Abitibi paper mill has created a great deal of uncertainty in this one-industry town. The central region's economy has been impacted by the current global economic slowdown and has also resulted in a retraction in the surrounding area's mining industry and many of these transient workers typically rent in Grand Falls-Windsor.

Average Rents

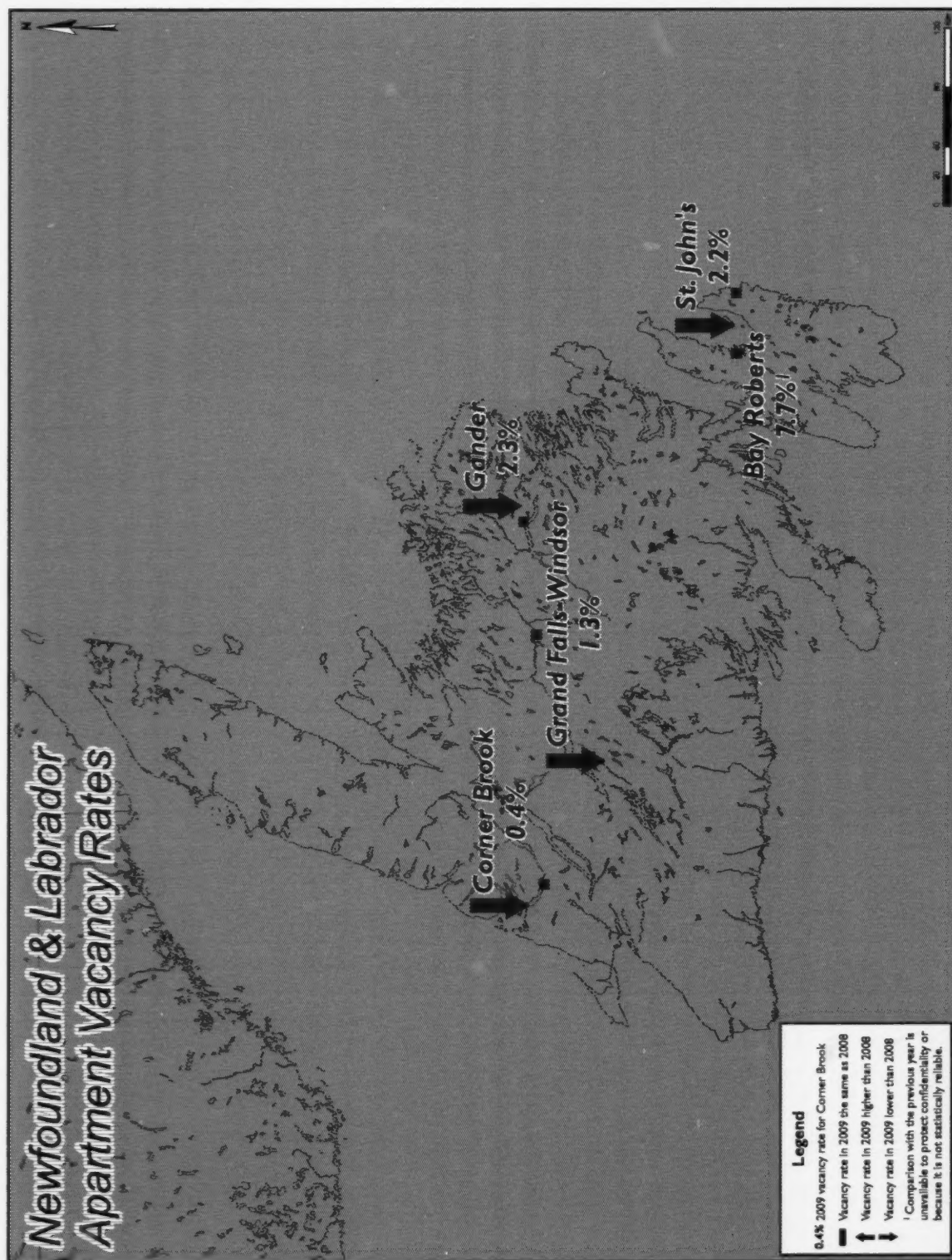
Overall, the average two bedroom rent was \$595 across the five urban centres surveyed, with increases recorded in every centre. The highest average two bedroom rent recorded was \$652 in the St. John's CMA, while Bay Roberts CA posted the lowest average rent of \$484. The remaining average two bedroom rents were, Corner Brook CA: \$522;

Gander: \$524; and Grand Falls-Windsor CA: \$623.

Based on units common to both the 2008 and 2009 surveys, average rents increased across the board. In St. John's CMA, average two bedroom rents increased 5.7 per cent. In Corner Brook CA and Gander the increase was 4.3 per cent, while in Grand Falls-Windsor CA, average rents climbed 2.1 per cent.

Availability Rates

Consistent with the lower vacancy rate pattern, the availability rate ranged from a high of 7.7 per cent in Bay Roberts CA, to a low of 0.6 per cent in Corner Brook CA. The Gander area availability rate was 2.3 per cent, while Grand Falls-Windsor CA posted an availability rate of 1.3 per cent and the St. John's CMA recorded a rate of 3.2 per cent.



1.1.1 Private Apartment Vacancy Rates (%)
by Bedroom Type
Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
St. John's CMA	3.0 a	4.4 c	2.5 a	1.3 a	3.5 a	1.9 a	9.9 b	4.6 b	3.7 a	2.2 a
Bay Roberts CA	n/s	n/u	**	**	**	9.1 a	n/s	**	**	7.7 a
Corner Brook CA	0.0 a	0.0 a	1.7 a	1.6 a	0.3 a	0.0 a	0.0 a	0.0 a	0.6 a	0.4 a
Gander T	**	**	2.5 a	1.3 a	2.7 a	2.4 a	0.0 a	5.3 a	2.5 a	2.3 a
Grand Falls-Windsor CA	**	0.0 a	0.0 a	1.3 a	4.2 a	1.4 a	n/u	**	3.6 a	1.3 a
Newfoundland & Labrador 10,000+	2.8 b	4.0 c	2.4 a	1.4 a	3.1 a	1.8 a	8.0 b	4.1 b	3.2 a	2.0 a

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

1.1.2 Private Apartment Average Rents (\$)
by Bedroom Type
Newfoundland and Labrador

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
St. John's CMA	472 a	507 b	543 a	579 a	614 a	652 a	662 a	702 a	585 a	623 a
Bay Roberts CA	n/s	n/u	**	**	464 a	484 a	n/s	**	459 a	474 a
Corner Brook CA	418 a	425 a	425 a	453 a	516 a	522 a	617 a	625 a	497 a	508 a
Gander T	**	**	437 a	454 a	504 a	524 a	518 a	558 a	488 a	508 a
Grand Falls-Windsor CA	**	371 a	453 a	497 a	565 a	623 a	n/u	680 b	549 a	600 a
Newfoundland & Labrador 10,000+	466 a	498 a	516 a	547 a	581 a	616 a	643 a	680 a	561 a	595 a

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):

a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)

d – Fair (Use with Caution) ($7.5 < cv \leq 10$)

** Data suppressed to protect confidentiality or data is not statistically reliable

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Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details



**1.1.3 Number of Private Apartment Units Vacant and Universe in April 2009
by Bedroom Type
Newfoundland and Labrador**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
St. John's CMA	15 c	341	16 a	1,155	36 a	1,868	14 b	304	80 a	3,668
Bay Roberts CA	n/u	n/u	**	**	2 a	22	**	**	2 a	26
Corner Brook CA	0 a	22	2 a	123	0 a	294	0 a	38	2 a	477
Gander T	**	**	2 a	160	11 a	449	2 a	38	15 a	648
Grand Falls-Windsor CA	0 a	6	1 a	79	5 a	368	**	13	6 a	466
Newfoundland & Labrador 10,00	15 c	370	21 a	1,521	54 a	3,001	16 b	393	106 a	5,285

The following letter codes are used to indicate the reliability of the estimates:

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n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

**1.1.4 Private Apartment Availability Rates (%)
by Bedroom Type
Newfoundland and Labrador**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09	Apr-08	Apr-09
St. John's CMA	3.5 b	6.5 c	3.1 a	2.1 a	5.0 a	2.9 a	11.8 c	5.6 b	4.8 a	3.2 a
Bay Roberts CA	n/s	n/u	**	**	**	9.1 a	n/s	**	**	7.7 a
Corner Brook CA	0.0 a	4.5 a	1.7 a	1.6 a	0.3 a	0.0 a	0.0 a	0.0 a	0.6 a	0.6 a
Gander T	**	**	2.5 a	1.3 a	2.7 a	2.4 a	0.0 a	5.3 a	2.5 a	2.3 a
Grand Falls-Windsor CA	**	0.0 a	0.0 a	1.3 a	4.2 a	1.4 a	n/u	**	3.6 a	1.3 a
Newfoundland & Labrador 10,000+	3.3 b	6.2 b	2.9 a	1.9 a	4.1 a	2.4 a	9.5 b	4.9 b	4.1 a	2.7 a

The following letter codes are used to indicate the reliability of the estimates:

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** Data suppressed to protect confidentiality or data is not statistically reliable

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

**1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent¹
by Bedroom Type
Newfoundland and Labrador**

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09	Apr-07 to Apr-08	Apr-08 to Apr-09
St. John's CMA	2.0 b	4.7 b	++	6.7 a	2.5 a	5.2 a	2.9 c	4.5 b	2.2 b	5.7 a
Bay Roberts CA	**	n/u	**	**	**	**	**	**	**	**
Corner Brook CA	**	**	4.0 a	7.2 a	4.7 b	3.7 b	**	**	3.9 c	4.3 b
Gander T	**	**	3.3 a	4.0 a	3.5 a	4.0 a	6.8 a	4.8 a	3.5 a	4.3 a
Grand Falls-Windsor CA	**	18.8 a	3.5 c	3.4 b	1.1 a	1.6 a	n/u	**	1.2 a	2.1 a
Newfoundland & Labrador 10,000+	2.0 b	5.2 b	1.9 c	6.2 a	2.8 a	4.7 a	4.2 c	5.0 a	2.5 a	5.2 a

¹The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:

a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)

** Data suppressed to protect confidentiality or data is not statistically reliable

++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)

n/u: No units exist in universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click [Methodology](#) or [Data Reliability Tables Appendix](#) links for more details

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: \$500 in 2008 vs. \$550 in 2009 represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the 2008 and 2009 Spring Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey (RMS)** every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the April 2008 and April 2009 Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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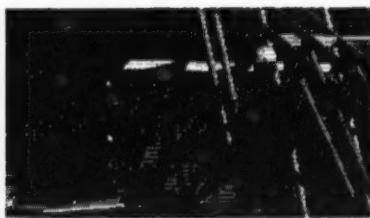
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